Could job insecurity (also) be a motivator?

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COULD JOB INSECURITY (ALSO) BE A MOTIVATOR?

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Abstract: *This study tested the idea that there is not only a negative effect of job insecurity on performance but also a positive one. The positive effect can be expected because job insecurity might also motivate people to work hard because good performance might be believed to lessen the chance of being made redundant. We assume that both effects work simultaneously but that the negative effect is stronger than the positive one. Furthermore, we assume that the negative effect is mediated by work attitudes. Job insecurity, performance (in-role behavior and organizational citizenship behaviour), and work attitudes (job satisfaction, commitment, and justice perceptions) data were collected from 132 German nonmanagerial employees. Structural equation modeling provided some evidence for the hypothesized relationships. In addition, our data replicate the finding of Borg & Elizur (1992) that there are two separate dimensions of job insecurity with different correlational patterns: cognitive job insecurity (i.e., the probability estimate of loosing one's job) and affective job insecurity (i.e., being worried about loosing one's job).*

Job insecurity is typically seen as a stressor that diminishes job performance (e.g. De Witte 1999), but what if it is also a motivating factor leading to greater work effort? Borg & Elizur (1992) introduced the idea of job insecurity as a motivator into the literature, referring to managers who "frequently argue that job security in organizations has become too high and that an increase in job insecurity would contribute to higher work efforts by employees in order to keep their jobs" (p. 25). Even though this idea has now been around for quite some time, it has never been put to the test. The study that we present here attempts to fill this gap in the literature.

There are at least two reasons why the idea of job insecurity as a motivator has not been focused on by job insecurity researchers. The first is that many research findings accumulated so far support the alternative view – the view of job insecurity as a stressor. Job insecurity is known to be accompanied by being stressed (McDonough 2000) and having worse physical and mental health (Sverke, Hellgren & Näswall 2002). It is also known to

have a negative relationship with work attitudes such as job satisfaction and commitment (Sverke et al. 2002) as well as justice perceptions (Armstrong-Stassen 2003). All of these findings are consistent with the view of job insecurity as a stressor.

The second reason is that empirical evidence favors the view that job insecurity and job performance are more likely to be negatively correlated than positively correlated, even though the correlation varies from study to study. In the meta-analysis by Sverke et al. (2002), job insecurity was not significantly related to (overall) performance in general. Only if job insecurity was measured with a proper scale (as compared to a single item) did the negative correlation become significant. The overall picture is similar (but more inconsistent) if one important aspect of performance, namely organizational citizenship behavior (OCB), is analyzed separately. In one study, the relationship between job insecurity and OCB was found to be negative (King 2000). In the study by Boerner, Dütschke & Schwämmle (2005), only one facet of OCB (civic virtue) was negatively predicted by job insecurity in one sample, but not in the other sample. In the study by Feather & Rauter (2004), job insecurity had a marginally positive relationship with one sample but the (negative) relationship was nonsignificant for the other sample.

On the other hand, the literature does provide a small number of specific hints that experiencing job insecurity can be motivating. Employees believe that good performance lessens their chances of being made redundant (Van Vuuren, Klandermans, Jacobson & Hartley 1991). Thus, people whose jobs are insecure might hope that they will be spared if redundancies are necessary because the company will not want to lose their best performers and will rather lay off the poor performers. In addition, job insecurity is reported to be correlated with longer working hours (Fischer et al. 2005). This might be the case because people who work longer might be perceived as especially committed employees, who might in turn be the last to be made redundant.

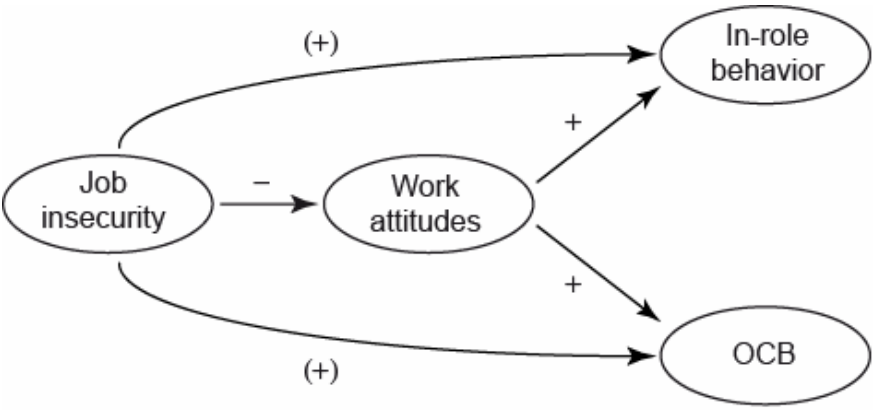
Thus, the evidence accumulated so far offers strong support for the view of job insecurity as a stressor, while the evidence for the view that job insecurity is a motivator is certainly weaker. One could therefore assume that it is not even worth trying to find evidence that job insecurity could also be motivating. Yet, we argue that it might be too early to give up on this idea. However, if one wants to find evidence for the motivating effect of job insecurity, one has to take into account the evidence for the view of job insecurity as a stressor. This means that it is inappropriate to assume that either one view or the other is correct. Instead, both views might be correct at the same time.

If job insecurity is both a stressor and a motivator at the same time, then job insecurity might reduce job performance (due to being a stressor) and it might increase job performance (due to being a motivator). If the effects are of equal strength, then they will cancel

each other out. If one effect is stronger than the other, then the weaker effect will suppress the stronger effect and the resulting relationship will be smaller than expected. The latter scenario seems to be more appropriate given that there is more evidence that job insecurity is negatively related to performance (in particular to in-role behavior). The motivating aspect of job insecurity on performance most likely suppresses the stressing aspect of job insecurity, and the resulting correlation is negative but small.

Structural equation modeling allows the idea to be tested that the motivating aspect of job insecurity on performance most likely suppresses the stressing aspect of job insecurity because it enables the two aspects to be disentangled. This can be carried out with the help of the mediation-and-suppression model, which is shown in Figure 1. According to the view of job insecurity as a stressor, job insecurity should worsen work attitudes, and this should in turn decrease performance (cf. Harrison, Newman & Roth 2006). According to the view of job insecurity as a motivator, there should also be a direct and positive effect of job insecurity on performance. We tested this model with a sample of 132 German employees.

Figure 1 The mediation-and-suppression model of the effects of job insecurity



Furthermore, our data set gave us the opportunity to explore another idea introduced by Borg & Elizur (1992) into the literature: the independence of cognitive and affective job insecurity. Whereas cognitive job insecurity is the perception that one's job is insecure (which is the focus of most thinking, most studies, and also our model), affective job insecurity can be understood as the emotional reaction to imagining loosing one's job. Borg & Elizur showed that cognitive and affective job insecurity are separate constructs. As an additional aim of the current study was to replicate this finding, we also included Borg & Elizur's affective job insecurity items.

Method

Participants

The data used in this study were collected from a facility management company, a health insurance company, and a dental dealer in Germany. Altogether, 210 employees without managerial responsibility were contacted, and 133 sent the questionnaire back (rate of return: 66%). Of these, 54 worked at the facility management company, 52 at the health insurance company, and 27 at the dental dealer. One person in the facility management company had to be excluded because he always used the extreme (and positive) end of the scale, leaving data from 132 employees. Of these 132 employees, 32.6% were male and 63.6% female (3.8% missing). Seventy-six percent had been working at their company for longer than 5 years.

Measures

We used a Likert response scale ranging from (1) *strongly disagree* to (7) *strongly agree* for all measures, which we will now describe in detail.

Job insecurity. Cognitive job insecurity was measured with the four items of Borg's cognitive job insecurity scale that focus exclusively on the perception of the likelihood of loosing one's job (Borg 1992, Sample 2; see also Borg & Elizur 1992). These (reverse-scored) items are: 'My job is secure', 'In my opinion, I will keep my job in the near future', 'In my opinion, I will be employed for a long time in my present job', and 'My workplace is secure in every respect'. Affective job insecurity was measured with the three items of Borg & Elizur ('The thought of loosing my job troubles me', 'The thought of loosing my job worries me', and 'The thought of loosing my job scares me' [own translations]).

Work attitudes. The latent construct work attitudes included job satisfaction, organizational commitment, and procedural and interactional justice perceptions. *Job satisfaction*

was measured with two Job Diagnostic Survey (JDS, Hackman & Oldham 1980) items: 'I am generally satisfied with the kind of work I do in this job' and 'Generally speaking, I am very satisfied with this job'. *Commitment* was assessed with the German translation (Schmidt, Hollmann & Sodenkamp 1998) of N. J. Allen & Meyer's (1990) eight-item measure of affective commitment. *Procedural justice* was measured with a six-item measure developed by Niehoff & Moorman (1993). A sample item is 'All job decisions are applied consistently across all affected employees'. *Interactional justice* was assessed with a six-item scale developed by Moorman (1991) (using the present tense instead of the past tense, for example 'My supervisor considers my viewpoint').

In-role behavior and OCB. These constructs were assessed with the German FELA questionnaire (FELA = 'Fragebogen zur Erfassung des leistungsbezogenen Arbeitsverhaltens' [Questionnaire for measuring performance-related work behavior], Staufenbiel & Hartz 2000). This scale has five subscales (with five items each), which cover in-role behavior and four facets of OCB (altruism, sportsmanship, civic virtue, and conscientiousness). The subscale measures can be combined into one general OCB measure (Staufenbiel & Hartz 2000).

Analysis

Confirmatory factor analyses were run by analyzing the covariance matrix using the maximum likelihood estimation method in LISREL 8.54 (Jöreskog & Sörbom 1996). The following statistics were used to test the fit of the models: chi-square statistics, the non-normed fit index (NNFI), the comparative fit index (CFI), the standardized root mean square residual (SRMR), and the root mean square error of approximation (RMSEA). Conventionally (e.g. Kline 2005), an NNFI or CFI of less than .90 is an indication of unacceptable fit, as is any SRMR larger than .10 and any RMSEA larger than .08.

Composite indicators (i.e., parcels) were formed for several of the scales in order to reduce the number of parameters and thereby improve the sample-size-to-estimator ratio (Hall, Snell & Foust 1999). The items from the cognitive job insecurity scale were parceled into two indicators. The procedure consisted of assigning items to one of the two indicators depending on the relative size of the factor loadings that resulted from a one-factor principal component analysis. In other words, the item with the highest factor loading was assigned to the first indicator, the item with the second highest factor loading to the second indicator, and the item with the third highest factor loading again to the first indicator and so on. This procedure was used whenever we formed parcels (i.e., for in-role behavior and OCB). For work attitudes, four indicator variables were used: job satisfaction, organizational commitment, procedural justice, and interactional justice.

Results

Descriptive statistics, correlations, and reliabilities of all scores are reported in Table 1.

Table 1 Means, Standard Deviations, Scale Reliabilities, and Pearson Correlations

Variable	*k*	*M*	*SD*	1	2	3	4	5	6	7	8
1. Cognitive job insecurity	4	3.77	1.23	(.84)							
2. Affective job insecurity	3	4.49	1.76	.33**	(.93)						
3. Job satisfaction	2	5.48	1.02	-.52**	-.23**	(.77)					
4. Commitment	8	4.66	.90	-.39**	-.01	.54**	(.78)				
5. Procedural justice	6	3.74	1.21	-.38**	.10	.35**	.52**	(.88)			
6. Interactional justice	6	4.86	1.24	-.46**	-.02	.39**	.42**	.58**	(.92)		
7. OCB	20	5.68	.55	-.22*	.05	.30**	.36**	.25**	.18*	(.82)	
8. In-role behavior	5	6.23	.60	-.18*	-.04	.31**	.18*	.06	.18*	.57**	(.77)

Notes. *k* = number of items. Scale reliabilities appear in parentheses along the diagonal. OCB = organizational citizenship behavior.
$130 \leq N \leq 132$.
* p < .05. ** p < .01

Test of our model

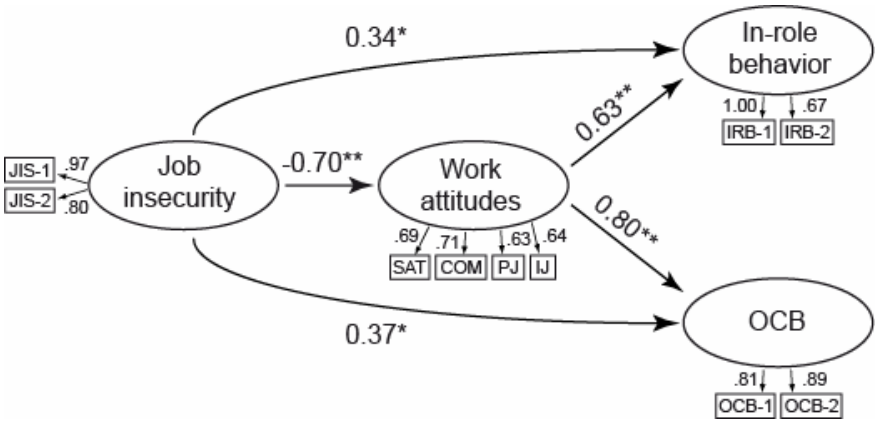
We first tested the fit of a nonmediated model in which there were only direct paths from job insecurity to in-role behavior, OCB, and work attitudes. As Table 2 shows, the nonmediated model did not fit the data. Second, we tested a mediation-only model in which there was a path from job insecurity to work attitudes, a path from work attitudes to in-role behavior, and a path from work attitudes to OCB. The (almost acceptable) fit of this model can also be seen in Table 2. Third, we tested whether there are additional direct and positive paths from job insecurity to in-role behavior and OCB (i.e., the mediation-and-suppression model). Figure 2 shows that such direct paths are indeed positive and statistically significant. Table 2 shows that the fit of this model was just acceptable and significantly better than the fit of the nonmediated model, but not significantly better than the mediation-only model. Thus, these results provide partial evidence for our model.

Table 2 Summary of Goodness-of-Fit Indices

Model	χ^2	*df*	NNFI	CFI	SRMR	RMSEA	$\Delta\chi^2$
Nonmediated	114.86**	32	0.83	0.88	0.14	0.14	17.46**
Mediation-only	101.45**	32	0.87	0.91	0.12	0.13	4.05
Mediation-and-suppression	97.40**	30	0.87	0.91	0.10	0.13	

Notes. $N = 129$. NNFI = nonnormed fit index; CFI = comparative fit index; SRMR= standardized root mean square residual; RMSEA = the root mean square error of approximation. $\Delta\chi^2$ with $df = 2$ relative to mediation-and-suppression model.
$^{**}p < .01$

Figure 2 Structural equation model of the effects of job insecurity



JIS-1 and JIS-2 = cognitive job insecurity, parcels 1 and 2; SAT = job satisfaction; COM = commitment, PJ = procedural justice, IJ=interactional justice, OCB-1 and OCB-2 = organizational citizenship behavior, parcels 1 and 2; IRB-1 and IRB-2 = in-role behaviour, parcels 1 and 2. All paths of the measurement model are statistically significant at $p<.01$. $^{*}p < .05$, $^{**}p < .01$.

Cognitive vs. affective job insecurity

First, we subjected the job insecurity items to an exploratory factor analysis using principal components with varimax rotation. The analysis revealed two factors with eigenvalues > 1 (λ_1=3.58, λ_2=1.78, λ_3=0.58) that explained 76.6% of the variance. The factor loadings (see Table 3) revealed a clean and readily interpretable factor structure, as expected. The first component captures affective job insecurity, and the second component cognitive job insecurity.

Table 3 Descriptive Statistics, Varimax Rotated Factor Loadings and Communalities of the Principal Component Analysis (PCA), and Loadings of the Maximum Likelihood Structural Equation Model (SEM) for the Job Insecurity Items (N=125)

Item	*M*	*SD*	PCA			SEM
			Factor I	Factor II	h^2	Loading
The thought of loosing my job troubles me.	4.20	1.81	0.92	0.18	.88	0.93
The thought of loosing my job worries me	4.51	1.92	0.93	0.13	.89	0.93
The thought of loosing my job scares me.	4.61	1.95	0.90	0.13	.83	0.83
My workplace is secure in every respect.	4.38	1.65	0.27	0.80	.71	0.81
In my opinion, I will keep my job in the near future.	2.92	1.29	0.05	0.79	.62	0.63
My job is secure.	4.17	1.61	0.28	0.81	.73	0.84
In my opinion, I will be employed for a long time in my present workplace.	3.64	1.52	0.02	0.84	.71	0.69
		Explained Variance:	38.38%	38.25%		

Note. Factor I = affective job insecurity; Factor II = cognitive job insecurity. h^2 = communalities.

In addition, a confirmatory factor analysis was conducted. The following indices indicated an acceptable fit: $\chi^2(13) = 25.65$, $p < .05$, NNFI = .97, CFI = .98, SRMR = 0.05, and RMSEA = 0.09. The two latent factors correlated at .41. As can be seen from the last column of Table 3, the standardized factor loadings of this solution were all greater than .62 and statistically significant (all $p < .01$). Furthermore, Table 1 shows that cogni-

tive and affective job insecurity correlated differently with other constructs. Whereas cognitive job insecurity was negatively related to commitment, procedural justice, interactional justice, OCB, and in-role behavior, the correlations of affective job insecurity with these variables were all nonsignificant. Affective job insecurity was only significantly related to job satisfaction (yet to a lesser degree than cognitive job insecurity). Thus, both exploratory and confirmatory factor analyses as well as the correlational pattern show that affective and cognitive job insecurity should be differentiated.

Conclusion

This study tested the idea that there is simultaneously a negative effect of job insecurity on performance (mediated by work attitudes) and a positive effect of job insecurity on performance (because job insecurity might also be a motivator, see Borg & Elizur 1992). Structural equation modeling provided some evidence for this mediation-and-suppression model. On the one hand, the direct paths from job insecurity to the two latent performance variables were positive. On the other hand, the fit of our model was just acceptable and not significantly better than a mediation-only model that only incorporates the negative effect. It is therefore difficult to reach a final conclusion solely on the basis of this study. However, the study does show that it is certainly too early to give up on the idea of job insecurity as a motivator.

Furthermore, our data replicate the finding of Borg & Elizur (1992) that there are two separate dimensions of job insecurity: cognitive job insecurity (i.e., the probability estimate of loosing one's job) and affective job insecurity (i.e., being worried about loosing one's job). This was the result of both exploratory and confirmatory factor analyses. The two factors showed different correlational patterns with performance and work attitudes (except job satisfaction): Whereas cognitive job insecurity was negatively related, affective job insecurity showed a relationship of zero. This implies that job insecurity researchers should not combine affective and cognitive job insecurity items into one scale, as some researchers have done in the past (e.g. Berth, Förster & Brähler 2005; Johnson, Messé & Crano 1984; Størseth 2004).

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